

## MANAGEMENT PHILOSOPHY

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Management is the results of the use of human talents to combine basic resources to achieve both the firm's and the individual's objective.

The five fundamental functions of management - planning, organizing, directing, coordinating, and controlling - constitute the Management Process.

There is a common factor of similarity among managers, with existing variations. Leadership is this catalytic element that unites the five basic functions of management into an effective formula for assuring the success of the enterprise. The dynamics of leadership are found in the effectiveness of the directing function upon the other functions as revealed through the performance of people.

Quality of performance - response to leadership - is influenced by the philosophy of the leader. Both the acceptance of the approach that management is a distinct process and the use of this process are conditioned by the user's philosophy of management.

One must first ask, "What is important to the manager and why?" His answer will provide the statements of ones basic management values - his ideals regarding his relationships to other people and to his business. Values include what has meaning and worth to a person. The accomplishments of most enterprises stem ultimately from the different values which the various management personnel bring to the enterprise. The very nature of management makes it mandatory that a manager believe in and stand for something. He cannot manage in a vacuum.

The history of leadership and management, in modern industry, depicts the various philosophies that have developed. Because of the varying nature of the business enterprise, people with different political and socio-economical backgrounds differ in their philosophy as well as the degree to which it is applied. Depending upon the situation, the group involved, and the makeup of the manager, his approach in how he relates to his employees in getting a job done and in meeting overall objectives, is based primarily on 1) deciding, 2) consulting, and 3) sharing.

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### Typical Management Philosophies

1) Decisive Type Management: It is an autocratic system with decisions made by one person. There is a distinct separation between the boss and the employee. The manager follows a formally prescribed procedure which is work oriented rather than people oriented. The individual is not recognized and has no influence in decision-making.

The management philosophies that follow under this pattern are: Feudal, Paternalism, and Formal Authority. As an example, the manager who believes in motivating by force or fear operates with a Feudal Philosophy. The employee is regarded as a necessary part of the enterprise. His function is to serve by performing his immediate task, for which compensation is given.

The manager who has the employee's interest at heart but makes all the decisions for them has a Paternal Philosophy. Many American businesses have been built by this type of fatherly leader. This manager "does take care of his boys" to a certain extent and the security needs of the employee are satisfied. However, the need or satisfaction of the employee to express himself psychologically or socio-economically is stifled.

The manager who coordinates by right of rank or position and believes that employee's should respect and obey his decisions has an Authoritarian Philosophy. Work goals are established for the group members, standards are defined, against which performance is evaluated, and results are spelled out. The thrust is toward activities and getting them performed efficiently.

This goal of precision and efficiency is desirable, in modern industry. How we can achieve the goal is the question. The Decisive Management is one way; Consultative Management is another.

2) Consultative Type Management: It is a democratic system with the attitude that participation by the employees should be utilized wherever possible. Employees are consulted regarding changes or improvements, and policies affecting them, and from these opinions the manager makes his decision. The Consultative Manager believes in the importance of people as individuals and builds morale among his people by allowing them to satisfy many of their psychological needs in the process of helping him reach his goal.

Another type of consultative management philosophy is the Developmental attitude. People are considered as possessing a vast potential for improvement and the Developmental Manager studies these potentials and helps in the development of each employee. The manager strives to help an employee help himself be much more than he is now, to grow, to develop, to assume greater responsibility, and thus increase the value of the employee's services to the enterprise.

3) Sharing or Contributory Type Management: This is also a democratic system as each member participates in determining objectives and formulating the plans for attaining them, and the final decision is by the group. The underlying environment is that management creates a work environment where each member is made to feel as an important member of a cooperative team. It is a continuing mutual understood relationship.

The philosophies that follow this pattern are: Management by Objectives, and the Laissez Faire. Management by Objectives is a process whereby the manager and the subordinates jointly identify its common goals and define each individual's major area of responsibility in terms of the results expected of him. These measures are used for the operating of the unit and assessing the contribution of each of its members.

The Laissez Faire attitude is a free rein style. The climate of the organization is such that people are left almost entirely alone to do their job. A minimum of supervision is imposed on the assumption that individuals are self-motivated to perform. The manager leaves the group to its devices providing little specific direction, however he is available to help out if requested.

Both of these philosophies feature self-directness and represent a highly personalized approach in supervising. It permits the individual to act as a whole person within the context of the organization. The management remains accountable but is a resource to assist members to achieve results they determined they wanted to achieve. The manager acts as a counselor. However, the manager often has difficulty with appraisal of subordinates.

#### Summary

Changes are constantly taking place in philosophy of management. Present day employees are more mobile, have a higher background in formal education, and a greater opportunity to deal with more complex machines and methods than their predecessors. Furthermore, constraints brought about by social pressures, trade unions, and governmental regulations have lessened the decision making power once possessed by management members.

Force is seldom used in present day America to get results. The conflict of democracy vs. totalitarianism is partly one of the difference in attitude concerning the use of force in securing results. Fear is losing some of its power. For years, many employers have used the fear of the Loss of the Job (and its all-important social significance) to coerce and intimidate employees. However, in times of full employment and job security, contracts, and regulations, employees know that they are secure.

Authoritarian management is giving way to the influence of leadership. A key word behind the practice of persuasive leadership is EXPLAIN. People need to know why. As soon as we begin to explain, people begin to think. If we explain what they gain from helping out, we start in the minds of the people being led their finding personal, meaningful, self-energizing reasons for them to take the desired action.

People need to feel secure, need to be recognized, have the opportunity to exert influence, an opportunity to grow and a desire to belong. However, we recognize that not everyone has the same needs. Some people are satisfied with what they are doing. Thus the approach used not only depends upon the makeup of the manager, but also the group involved and the situation. All of these philosophies can be used by the same manager at different times. However, modern day philosophy attempts to satisfy the employees personal needs and to meet the overall objectives of the company. This process is achieved through the philosophy of Consultative Management.